

Building Consensus Using Economic Development Planning

Usti nad Labem, Prelouc, Koprvinice, Karvina, Roznov nad Radhostem, and Velke Mezirici, Czech Republic

Background

Though responsible for determining local economic development priorities, Czech cities have been hindered by the poor state of communications and coordination between municipal governments and the business community. One way to improve municipal-business relations is for cities, in cooperation with business leadership, to assume responsibility for delivering services to existing and new businesses. Six Czech municipalities chose to embrace this idea and prepared community-based economic development plans to build consensus among both public and private sector community leaders concerning critical issues affecting their communities. These cities also used the principles of strategic planning as a means of empowering communities to deal with local issues.

Innovation

Beginning in May 1995 six Czech municipalities, ranging in population from 10,000 to 100,000, undertook community-based economic development strategic planning processes. The mayors, in consultation with their city councils, appointed Strategic Development Commissions (SDCs) that consisted of municipal leaders from the public and private sectors and were chaired by recognized business leaders. Implementing the economic development planning process takes approximately six months. As the first step in the process, the SDC built consensus and involved the community. The SDC conducted a survey to gauge the community's business climate and develop a community profile. After reviewing results of the survey, the SDC identified critical issues, the core of the strategic planning process. The SDC then undertook further analysis to precisely describe the community's strengths and weaknesses and external "threats" and opportunities. Once this was complete, the SDC was divided into task forces for each critical issue to develop goals and action plans identifying specific objectives, projects, and strategies. The separate action plans were presented to the entire SDC for inclusion in the municipality's economic development strategic plan, which the municipal council then adopted as official city policy. Typically, a strategic plan contained over 30 projects that addressed a community's identified critical issues. These included infrastructure, housing, economic development, environment, public transportation, image, tourism, work force training, and other issues that contributed to economic development and empower municipalities to adjust to economic changes. The strategic plan represented the community's consensus on the allocation of resources to address these issues. The emphasis was on implementation of credible, realistic projects.

Results

The first economic development strategic plan was adopted by Usti nad Labem's Municipal Council in February 1996. Completion of the strategic planning processes in the six pilot cities has created a momentum to make changes in the local government decision-making processes and the attitudes of community leaders. The sense of empowerment that is central to strategic planning has been welcomed by communities as an effective and useful contrast to the central, top-down planning approach used in the past. This process could be replicated in CEE cities where a level of development of both the public sector and private business community provides a basis for cooperation and institutional stability.

Summary

To improve competitiveness and create economic development capacity to deliver services to existing and new businesses, six Czech municipalities prepared community-based economic development plans. The first economic development strategic plan was adopted in Usti nad Labem in February 1996. Completion of the strategic planning processes in the six pilot cities has created a momentum to make changes in the local government decision-making processes and the attitudes of community leaders.

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